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SUBJECT: BIOFUELS: GREECE TRYING TO GET IN THE GAME

REF: SECSTATE 98110

¶1. (SBU) EmbOff delivered reftel points to the Advisor to the Secretary General of Energy and Natural Sources Viky Georgakopoulou. Following the proposed legislation on the Renewable Fuels Directive in the Council of the European Union (EU) and the European Parliament, Georgakopoulou said the Government of Greece (GOG) formed a working group to target how Greece will be able to conform to the criteria for biofuels and renewables. The working group for biofuels includes representatives from the Ministry of Environment, the Ministry of Rural Food and Development, the Regulatory Authority for Energy (RAE), and the Center for Renewable Energy Sources (CRES).

¶2. (SBU) As the biofuels targets for Greece have already been decided upon at the European Commission level, Georgakopoulou said the GOG was currently negotiating which biofuels will be used in the data calculations to meet EU requirements. The French, the current holders of the EU Presidency, were seeking to achieve approval by year-end on legislation covering EU regulations for the "20-20-20 by 2020" Climate and Energy package. Nevertheless, Georgakopoulou stressed that an agreement was not likely to happen in such a short time-frame due to disagreements between member states on the sustainability criteria.

¶3. (SBU) Greece supports a two-step approach in implementing minimum greenhouse gas emissions savings standards from the use of biofuels as proposed by the Government of Spain, noted Georgakopoulou. Under this plan, all biofuels used in Greece must deliver life-cycle CO2 savings (i.e. during production, transport and use) of at least 35 percent compared to conventional fuels in the first phase. In the second phase, biofuels would be expected to deliver savings of up to 50 percent versus fossil fuels (as of 2017). Georgakopoulou said the two-step approach was more realistic for Greece.

¶4. (SBU) In renewables, Greece aims to utilize renewable energy sources (RES) for 18 percent of its electricity needs by 2020; at present, Greece is using about 8 percent. In biofuels, Greece is expected to reach a target usage of ten percent of total fuel consumption by 2020. Although Georgakopoulou did not know the exact figure for present biofuel usage, she said it was quite low and likely in the single-digits. She highlighted that sustainability criteria should be considered in context of Greece's landscape and climate, similar to other Mediterranean countries in the EU.

Comment

¶5. (SBU) Georgakopoulou did not believe that Greece would be able to meet the aggressive targets for biofuels, but she was more optimistic on renewables, a high-visibility sector. Greece has a long way to go to meet both directives,

especially given the current tempestuous political climate.
Attracting private sector investors to new industries already
bogged down by a heavy-handed public sector will not be easy.

End Comment.

SPECKHARD